

2015 Updated Forms for DFI Guide to Home Loans Effective Oct. 3, 2015

This insert is meant to provide a brief summary/explanation of two new forms Washington State homeowners may be asked to sign in the process of purchasing a home. If you have questions about any of this information, please contact Lyn Peters at 360-902-8731 or lyn.peters@dfi.wa.gov.

LOAN ESTIMATE AND CLOSING DISCLOSURE FORMS

For more than 30 years Federal law has required lenders to provide two different disclosure forms to consumers applying for a mortgage and two different forms at or shortly before closing on the loan. Beginning Oct. 3, 2015, new forms (Loan Estimate and Closing Disclosure) will be used by lenders in place of the old forms. The old forms included the Good Faith Estimate (GFE) on pages 19-21 of this guide, Truth-in-Lending Disclosure (TIL) on page 23 of this guide, and HUD-1 or HUD-1A Settlement Statement (HUD-1) on pages 27, 29 and 30 of this guide. The new forms (Loan Estimate - on pages 3-5 of this insert, and Closing Disclosure - on pages 7-11 of this insert) will be used for most home purchases and refinances; however, the old forms (GFE, TIL, and HUD-1) may still be used for some transactions, such as home equity lines of credit, reverse mortgages, or mortgages secured by mobile home or a dwelling that is not attached to real property.

Within three days of your application, the lender is required to provide you with a Loan Estimate. If there are changes in your application – including your loan amount, credit score, or verified income – your rate and terms will likely change and the lender will give you a revised Loan Estimate. At least three days before your closing, you will get a Closing Disclosure.

For more information about the new disclosures please visit the Consumer Financial Protection Bureau (CFPB) at <http://www.consumerfinance.gov/knowbeforeyouowe>



Washington State Department of Financial Institutions

P.O. Box 41200 Olympia, WA 98504-1200

1.877.RING.DFI ■ www.dfi.wa.gov

*“Regulating financial services to protect and educate the public
and promote economic vitality.”*

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LOAN ESTIMATE

The Loan Estimate shows the key features and costs of the mortgage loan for which you are applying. It provides the interest rate, term, loan amount, settlement costs, expected payments, and other significant features of a particular loan.

Page 1 of the Loan Estimate form (at right) includes some of the more important features of your loan.

- The top includes your name and address, the property address, the sale price, the loan term, and whether the rate is locked (and if so, how long the rate lock is valid).
- The box titled “Loan Terms” lists your loan’s important terms such as the amount of the loan, interest rate, and estimated monthly payment, and whether any of the amounts can increase after closing, and whether there is a prepayment penalty or balloon payment.
- The box titled “Projected Payments” provides a breakdown of possible payments for the life of your loan, showing the amounts you will pay each month in principal and interest, mortgage insurance, and the estimated escrow amount.
- The box titled “Costs at Closing” provides the estimated closing costs and the estimated amount of cash you need to bring to closing (more detail can be found on page 2).

Page 2 of the Loan Estimate form (on page 4 of this insert) lists the details of the closing costs:

- Section A lists fees that the lender has complete control over, such as origination and discount points, application fee, and underwriting fee. If this fee is higher than the fee you were first quoted, find out why and negotiate a better fee if possible.
- Section B lists fees that are charged by third parties such as the appraisal, credit report, and inspection. These fees should be passed on to you without any markup.
- Section C lists fees for services provided by third parties that you may choose yourself. These amounts may vary depending on the service provider you choose.
- Section E lists taxes and other government fees such as recording fees or other taxes.
- Section F and G list the interest, taxes, and premiums for mortgage, flood, and hazard insurance. These will vary depending on your closing date and are not negotiable. If you close in the start of the month, you will be prepaying more interest than if you close at the end of the month. These items must be paid up front or deposited into an escrow account.
- Section J lists the total closing costs by adding up all the items in sections A-C and E-H and deducting lender credits (if any).

Page 3 of the Loan Estimate form (on page 5 of this insert) provides additional information about your loan.

- The box titled “Comparisons” is a good tool when comparing loan offers. It provides the total you will have paid in principal, interest, mortgage insurance, and loan costs after five years as well as the amount of principal you will have paid. In addition, it provides your Annual Percentage Rate (APR) which shows your costs over the loan term as a rate and your Total Interest Percentage (TIP) which shows the total amount of interest that you pay over the loan term as a percentage of your loan amount.
- The box titled “Other Considerations” provides information about appraisals, homeowner’s insurance, late payments, and servicing.

Loan Estimate

DATE ISSUED	2/15/2013	LOAN TERM	30 years
APPLICANTS	Michael Jones and Mary Stone	PURPOSE	Purchase
	123 Anywhere Street	PRODUCT	Fixed Rate
	Anytown, ST 12345	LOAN TYPE	<input checked="" type="checkbox"/> Conventional <input type="checkbox"/> FHA <input type="checkbox"/> VA <input type="checkbox"/> _____
PROPERTY	456 Somewhere Avenue	LOAN ID #	123456789
	Anytown, ST 12345	RATE LOCK	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES, until 4/16/2013 at 5:00 p.m. EDT
SALE PRICE	\$180,000	Before closing, your interest rate, points, and lender credits can change unless you lock the interest rate. All other estimated closing costs expire on 3/4/2013 at 5:00 p.m. EDT	

Loan Terms	Can this amount increase after closing?	
Loan Amount	\$162,000	NO
Interest Rate	3.875%	NO
Monthly Principal & Interest <small>See Projected Payments below for your Estimated Total Monthly Payment</small>	\$761.78	NO
Prepayment Penalty	YES • As high as \$3,240 if you pay off the loan during the first 2 years	
Balloon Payment	NO	

Projected Payments	Years 1-7	Years 8-30
Payment Calculation		
Principal & Interest	\$761.78	\$761.78
Mortgage Insurance	+ 82	+ —
Estimated Escrow <small>Amount can increase over time</small>	+ 206	+ 206
Estimated Total Monthly Payment	\$1,050	\$968

Estimated Taxes, Insurance & Assessments <small>Amount can increase over time</small>	\$206 a month	This estimate includes <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input type="checkbox"/> Other: <small>See Section G on page 2 for escrowed property costs. You must pay for other property costs separately.</small>	In escrow? YES YES
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Costs at Closing		
Estimated Closing Costs	\$8,054	Includes \$5,672 in Loan Costs + \$2,382 in Other Costs – \$0 in Lender Credits. See page 2 for details.
Estimated Cash to Close	\$16,054	Includes Closing Costs. See Calculating Cash to Close on page 2 for details.

Visit www.consumerfinance.gov/mortgage-estimate for general information and tools.

Closing Cost Details

Loan Costs

A. Origination Charges	\$1,802
.25 % of Loan Amount (Points)	\$405
Application Fee	\$300
Underwriting Fee	\$1,097

B. Services You Cannot Shop For

Appraisal Fee	\$405
Credit Report Fee	\$30
Flood Determination Fee	\$20
Flood Monitoring Fee	\$32
Tax Monitoring Fee	\$75
Tax Status Research Fee	\$110

C. Services You Can Shop For

Pest Inspection Fee	\$135
Survey Fee	\$65
Title – Insurance Binder	\$700
Title – Lender's Title Policy	\$535
Title – Settlement Agent Fee	\$502
Title – Title Search	\$1,261

D. TOTAL LOAN COSTS (A + B + C)

\$5,672

Other Costs

E. Taxes and Other Government Fees	\$85
Recording Fees and Other Taxes	\$85
Transfer Taxes	

F. Prepaids

Homeowner's Insurance Premium (6 months)	\$605
Mortgage Insurance Premium (months)	
Prepaid Interest (\$17.44 per day for 15 days @ 3.875%)	\$262
Property Taxes (months)	

G. Initial Escrow Payment at Closing

Homeowner's Insurance	\$100.83	per month for 2 mo.	\$202
Mortgage Insurance		per month for mo.	
Property Taxes	\$105.30	per month for 2 mo.	\$211

H. Other

Title - Owner's Title Policy (optional)	\$1,017
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I. TOTAL OTHER COSTS (E + F + G + H)

\$2,382

J. TOTAL CLOSING COSTS

D + I	\$8,054
Lender Credits	

Calculating Cash to Close

Total Closing Costs (J)	\$8,054
Closing Costs Financed (Paid from your Loan Amount)	\$0
Down Payment/Funds from Borrower	\$18,000
Deposit	- \$10,000
Funds for Borrower	\$0
Seller Credits	\$0
Adjustments and Other Credits	\$0
Estimated Cash to Close	\$16,054

Additional Information About This Loan

LENDER	Ficus Bank
NMLS/___ LICENSE ID	
LOAN OFFICER	Joe Smith
NMLS/___ LICENSE ID	12345
EMAIL	joesmith@ficusbank.com
PHONE	123-456-7890

MORTGAGE BROKER	
NMLS/___ LICENSE ID	
LOAN OFFICER	
NMLS/___ LICENSE ID	
EMAIL	
PHONE	

Comparisons

Use these measures to compare this loan with other loans.

In 5 Years	\$56,582 Total you will have paid in principal, interest, mortgage insurance, and loan costs.
	\$15,773 Principal you will have paid off.
Annual Percentage Rate (APR)	4.274% Your costs over the loan term expressed as a rate. This is not your interest rate.
Total Interest Percentage (TIP)	69.45% The total amount of interest that you will pay over the loan term as a percentage of your loan amount.

Other Considerations

Appraisal	We may order an appraisal to determine the property's value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your own cost.
Assumption	If you sell or transfer this property to another person, we <input type="checkbox"/> will allow, under certain conditions, this person to assume this loan on the original terms. <input checked="" type="checkbox"/> will not allow assumption of this loan on the original terms.
Homeowner's Insurance	This loan requires homeowner's insurance on the property, which you may obtain from a company of your choice that we find acceptable.
Late Payment	If your payment is more than 15 days late, we will charge a late fee of 5% of the monthly principal and interest payment.
Refinance	Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.
Servicing	We intend <input type="checkbox"/> to service your loan. If so, you will make your payments to us. <input checked="" type="checkbox"/> to transfer servicing of your loan.

Confirm Receipt

By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

Applicant Signature

Date

Co-Applicant Signature

Date

LOAN ESTIMATE

PAGE 3 OF 3 • LOAN ID #123456789

LOAN ESTIMATE

PAGE 2 OF 3 • LOAN ID # 123456789

CLOSING DISCLOSURE

The Closing Disclosure form sums up the terms of your loan and what you pay at closing. Typically, the closing agent gathers the pertinent information, completes the Closing Disclosure, and disperses the required funds once the buyer and seller have certified the accuracy of the statement by signing it. The Closing Disclosure has a similar format and the same numbering system as the Loan Estimate to easily compare the numbers on your Closing Disclosure to your most recent Loan Estimate. There should not be any significant changes other than those to which you have already agreed.

Page 1 of the Closing Disclosure form (at right) should be almost identical to your most recent Loan Estimate form. In addition to a statement of the transaction and loan information it will also include closing information such as the closing date, disbursement date, and settlement agent. You should then compare the “Loan Terms”, “Projected Payments”, and “Costs at Closing” boxes for any changes from the most recent Loan Estimate.

Page 2 of the Closing Disclosure form (on page 8 of this insert) lists the details of the closing costs and is broken down into a summary of each party’s side of the transaction. Borrower-paid on the left side, Seller-paid in the middle, and paid by others on the right side. It is identical to page two of the Loan Summary except the line items are numbered and a majority of line items indicate to whom the money was paid.

Page 3 of the Closing Disclosure form (on page 9 of this insert) includes two tables that will help you review your transaction.

- A table entitled “Calculating Cash to Close” will help you easily see what changed from your Loan Estimate. The left column lists the amount from the Loan Estimate, the middle column lists the amounts from the Closing Disclosure, and the right column tells you where the amounts changed and where to look on the Closing Disclosure for an explanation as to why the amounts changed.
- The “Summaries of Transactions” table shows an abbreviated summary of your transaction. The left column is your transaction while the right column is the seller’s transaction. The very bottom of the sheet provides the amount the borrower needs to provide (or will receive) as well as the cash the seller will receive (or will need to provide) at closing.

Page 4 of the Closing Disclosure form (on page 10 of this insert) provides additional loan disclosures. It includes information such as whether your loan is assumable, has a demand feature, can negatively amortize, and what your lender will do with partial payments. In addition, it provides information about your escrow account. It includes an estimate of your property costs over year one (such as homeowner’s insurance, property taxes and homeowner’s association dues. It also provides the amount of your monthly escrow payment.

Page 5 of the Closing Disclosure form (on page 11 of this insert) provides a breakdown of your total payments (amount you will have paid after making all payments), finance charge (the dollar amount the loan costs you), amount financed (the loan amount after paying the up-front finance charge), APR (your costs over the loan term expressed as a rate), and TIP (the total amount of interest you will pay over the loan terms as a percentage of your loan amount). It also includes additional loan disclosures and contact information for your lender, mortgage broker (if you used one), buyer’s real estate broker, seller’s real estate broker, and the settlement agent.

Closing Disclosure

This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.

Closing Information		Transaction Information		Loan Information	
Date Issued	4/15/2013	Borrower	Michael Jones and Mary Stone	Loan Term	30 years
Closing Date	4/15/2013		123 Anywhere Street	Purpose	Purchase
Disbursement Date	4/15/2013		Anytown, ST 12345	Product	Fixed Rate
Settlement Agent	Epsilon Title Co.	Seller	Steve Cole and Amy Doe	Loan Type	<input checked="" type="checkbox"/> Conventional <input type="checkbox"/> FHA
File #	12-3456		321 Somewhere Drive		<input type="checkbox"/> VA <input type="checkbox"/>
Property	456 Somewhere Ave		Anytown, ST 12345	Loan ID #	123456789
Sale Price	\$180,000	Lender	Ficus Bank	MIC #	000654321

Loan Terms	Can this amount increase after closing?	
Loan Amount	\$162,000	NO
Interest Rate	3.875%	NO
Monthly Principal & Interest <small>See Projected Payments below for your Estimated Total Monthly Payment</small>	\$761.78	NO
Does the loan have these features?		
Prepayment Penalty	YES	• As high as \$3,240 if you pay off the loan during the first 2 years
Balloon Payment	NO	

Projected Payments		
Payment Calculation	Years 1-7	Years 8-30
Principal & Interest	\$761.78	\$761.78
Mortgage Insurance	+ 82.35	+ —
Estimated Escrow <small>Amount can increase over time</small>	+ 206.13	+ 206.13
Estimated Total Monthly Payment	\$1,050.26	\$967.91
Estimated Taxes, Insurance & Assessments <small>Amount can increase over time See page 4 for details</small>	\$356.13 a month	<div>This estimate includes <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input checked="" type="checkbox"/> Other: Homeowner's Association Dues <small>See Escrow Account on page 4 for details. You must pay for other property costs separately.</small></div> <div>In escrow? YES YES NO</div>

Costs at Closing	
Closing Costs	\$9,712.10 Includes \$4,694.05 in Loan Costs + \$5,018.05 in Other Costs – \$0 in Lender Credits. See page 2 for details.
Cash to Close	\$14,147.26 Includes Closing Costs. See Calculating Cash to Close on page 3 for details.

Closing Cost Details

Loan Costs	Borrower-Paid		Seller-Paid		Paid by Others
	At Closing	Before Closing	At Closing	Before Closing	
A. Origination Charges	\$1,802.00				
01 0.25 % of Loan Amount (Points)	\$405.00				
02 Application Fee	\$300.00				
03 Underwriting Fee	\$1,097.00				
04					
05					
06					
07					
08					
B. Services Borrower Did Not Shop For	\$236.55				
01 Appraisal Fee to John Smith Appraisers Inc.					\$405.00
02 Credit Report Fee to Information Inc.		\$29.80			
03 Flood Determination Fee to Info Co.	\$20.00				
04 Flood Monitoring Fee to Info Co.	\$31.75				
05 Tax Monitoring Fee to Info Co.	\$75.00				
06 Tax Status Research Fee to Info Co.	\$80.00				
07					
08					
09					
10					
C. Services Borrower Did Shop For	\$2,655.50				
01 Pest Inspection Fee to Pests Co.	\$120.50				
02 Survey Fee to Surveys Co.	\$85.00				
03 Title - Insurance Binder to Epsilon Title Co.	\$650.00				
04 Title - Lender's Title Insurance to Epsilon Title Co.	\$500.00				
05 Title - Settlement Agent Fee to Epsilon Title Co.	\$500.00				
06 Title - Title Search to Epsilon Title Co.	\$800.00				
07					
08					
D. TOTAL LOAN COSTS (Borrower-Paid)	\$4,694.05				
Loan Costs Subtotals (A + B + C)	\$4,664.25	\$29.80			
Other Costs					
E. Taxes and Other Government Fees	\$85.00				
01 Recording Fees Deed: \$40.00 Mortgage: \$45.00	\$85.00				
02 Transfer Tax to Any State			\$950.00		
F. Prepays	\$2,120.80				
01 Homeowner's Insurance Premium (12 mo.) to Insurance Co.	\$1,209.96				
02 Mortgage Insurance Premium (mo.)					
03 Prepaid Interest (\$17.44 per day from 4/15/13 to 5/1/13)	\$279.04				
04 Property Taxes (6 mo.) to Any County USA	\$631.80				
05					
G. Initial Escrow Payment at Closing	\$412.25				
01 Homeowner's Insurance \$100.83 per month for 2 mo.	\$201.66				
02 Mortgage Insurance per month for mo.					
03 Property Taxes \$105.30 per month for 2 mo.	\$210.60				
04					
05					
06					
07					
08 Aggregate Adjustment	- 0.01				
H. Other	\$2,400.00				
01 HOA Capital Contribution to HOA Acre Inc.	\$500.00				
02 HOA Processing Fee to HOA Acre Inc.	\$150.00				
03 Home Inspection Fee to Engineers Inc.	\$750.00				\$750.00
04 Home Warranty Fee to XYZ Warranty Inc.			\$450.00		
05 Real Estate Commission to Alpha Real Estate Broker			\$5,700.00		
06 Real Estate Commission to Omega Real Estate Broker			\$5,700.00		
07 Title - Owner's Title Insurance (optional) to Epsilon Title Co.	\$1,000.00				
08					
I. TOTAL OTHER COSTS (Borrower-Paid)	\$5,018.05				
Other Costs Subtotals (E + F + G + H)	\$5,018.05				
J. TOTAL CLOSING COSTS (Borrower-Paid)	\$9,712.10				
Closing Costs Subtotals (D + I)	\$9,682.30	\$29.80	\$12,800.00	\$750.00	\$405.00
Lender Credits					

Calculating Cash to Close

Use this table to see what has changed from your Loan Estimate.

	Loan Estimate	Final	Did this change?
Total Closing Costs (J)	\$8,054.00	\$9,712.10	YES + See Total Loan Costs (D) and Total Other Costs (I)
Closing Costs Paid Before Closing	\$0	- \$29.80	YES + You paid these Closing Costs before closing
Closing Costs Financed (Paid from your Loan Amount)	\$0	\$0	NO
Down Payment/Funds from Borrower	\$18,000.00	\$18,000.00	NO
Deposit	- \$10,000.00	- \$10,000.00	NO
Funds for Borrower	\$0	\$0	NO
Seller Credits	\$0	- \$2,500.00	YES + See Seller Credits in Section L
Adjustments and Other Credits	\$0	- \$1,035.04	YES + See details in Sections K and L
Cash to Close	\$16,054.00	\$14,147.26	

Summaries of Transactions

Use this table to see a summary of your transaction.

BORROWER'S TRANSACTION			SELLER'S TRANSACTION		
K. Due from Borrower at Closing			M. Due to Seller at Closing		
01 Sale Price of Property		\$189,762.30	01 Sale Price of Property		\$180,080.00
02 Sale Price of Any Personal Property Included in Sale		\$180,000.00	02 Sale Price of Any Personal Property Included in Sale		\$180,000.00
03 Closing Costs Paid at Closing (J)		\$9,682.30	03		
04			04		
Adjustments			05		
05			06		
06			07		
07			08		
Adjustments for Items Paid by Seller in Advance			Adjustments for Items Paid by Seller in Advance		
08 City/Town Taxes to			09 City/Town Taxes to		
09 County Taxes to			10 County Taxes to		
10 Assessments to			11 Assessments to		
11 HOA Dues 4/15/13 to 4/30/13		\$80.00	12 HOA Dues 4/15/13 to 4/30/13		\$80.00
12			13		
13			14		
14			15		
15			16		
L. Paid Already by or on Behalf of Borrower at Closing	\$175,615.04		N. Due from Seller at Closing	\$115,665.04	
01 Deposit		\$10,000.00	01 Excess Deposit		
02 Loan Amount		\$162,000.00	02 Closing Costs Paid at Closing (J)		\$12,800.00
03 Existing Loan(s) Assumed or Taken Subject to			03 Existing Loan(s) Assumed or Taken Subject to		
04			04 Payoff of First Mortgage Loan		\$100,000.00
05 Seller Credit		\$2,500.00	05 Payoff of Second Mortgage Loan		
Other Credits			06		
06 Rebate from Epsilon Title Co.		\$750.00	07		
07			08 Seller Credit		\$2,500.00
Adjustments			09		
08			10		
09			11		
10			12		
11			13		
Adjustments for Items Unpaid by Seller			Adjustments for Items Unpaid by Seller		
12 City/Town Taxes 1/1/13 to 4/14/13		\$365.04	14 City/Town Taxes 1/1/13 to 4/14/13		\$365.04
13 County Taxes to			15 County Taxes to		
14 Assessments to			16 Assessments to		
15			17		
16			18		
17			19		
CALCULATION			CALCULATION		
Total Due from Borrower at Closing (K)		\$189,762.30	Total Due to Seller at Closing (M)		\$180,080.00
Total Paid Already by or on Behalf of Borrower at Closing (L)		- \$175,615.04	Total Due from Seller at Closing (N)		- \$115,665.04
Cash to Close <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower		\$14,147.26	Cash <input type="checkbox"/> From <input checked="" type="checkbox"/> To Seller		\$64,414.96

Additional Information About This Loan

Loan Disclosures

Assumption

If you sell or transfer this property to another person, your lender

- ☐ will allow, under certain conditions, this person to assume this loan on the original terms.
- ☒ will not allow assumption of this loan on the original terms.

Demand Feature

Your loan

- ☐ has a demand feature, which permits your lender to require early repayment of the loan. You should review your note for details.
- ☒ does not have a demand feature.

Late Payment

If your payment is more than 15 days late, your lender will charge a late fee of 5% of the monthly principal and interest payment.

Negative Amortization (Increase in Loan Amount)

Under your loan terms, you

- ☐ are scheduled to make monthly payments that do not pay all of the interest due that month. As a result, your loan amount will increase (negatively amortize), and your loan amount will likely become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.
- ☐ may have monthly payments that do not pay all of the interest due that month. If you do, your loan amount will increase (negatively amortize), and, as a result, your loan amount may become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.
- ☒ do not have a negative amortization feature.

Partial Payments

Your lender

- ☒ may accept payments that are less than the full amount due (partial payments) and apply them to your loan.
- ☐ may hold them in a separate account until you pay the rest of the payment, and then apply the full payment to your loan.
- ☐ does not accept any partial payments.
- If this loan is sold, your new lender may have a different policy.

Security Interest

You are granting a security interest in
456 Somewhere Ave., Anytown, ST 12345

You may lose this property if you do not make your payments or satisfy other obligations for this loan.

Escrow Account

For now, your loan

- ☒ will have an escrow account (also called an "impound" or "trust" account) to pay the property costs listed below. Without an escrow account, you would pay them directly, possibly in one or two large payments a year. Your lender may be liable for penalties and interest for failing to make a payment.

Escrow		
Escrowed Property Costs over Year 1	\$2,473.56	Estimated total amount over year 1 for your escrowed property costs: Homeowner's Insurance Property Taxes
Non-Escrowed Property Costs over Year 1	\$1,800.00	Estimated total amount over year 1 for your non-escrowed property costs: Homeowner's Association Dues You may have other property costs.
Initial Escrow Payment	\$412.25	A cushion for the escrow account you pay at closing. See Section G on page 2.
Monthly Escrow Payment	\$206.13	The amount included in your total monthly payment.

- ☐ will not have an escrow account because ☐ you declined it ☐ your lender does not offer one. You must directly pay your property costs, such as taxes and homeowner's insurance. Contact your lender to ask if your loan can have an escrow account.

No Escrow		
Estimated Property Costs over Year 1		Estimated total amount over year 1. You must pay these costs directly, possibly in one or two large payments a year.
Escrow Waiver Fee		

In the future,

Your property costs may change and, as a result, your escrow payment may change. You may be able to cancel your escrow account, but if you do, you must pay your property costs directly. If you fail to pay your property taxes, your state or local government may (1) impose fines and penalties or (2) place a tax lien on this property. If you fail to pay any of your property costs, your lender may (1) add the amounts to your loan balance, (2) add an escrow account to your loan, or (3) require you to pay for property insurance that the lender buys on your behalf, which likely would cost more and provide fewer benefits than what you could buy on your own.

Loan Calculations

Total of Payments. Total you will have paid after you make all payments of principal, interest, mortgage insurance, and loan costs, as scheduled.	\$285,803.36
Finance Charge. The dollar amount the loan will cost you.	\$118,830.27
Amount Financed. The loan amount available after paying your upfront finance charge.	\$162,000.00
Annual Percentage Rate (APR). Your costs over the loan term expressed as a rate. This is not your interest rate.	4.174%
Total Interest Percentage (TIP). The total amount of interest that you will pay over the loan term as a percentage of your loan amount.	69.46%



Questions? If you have questions about the loan terms or costs on this form, use the contact information below. To get more information or make a complaint, contact the Consumer Financial Protection Bureau at www.consumerfinance.gov/mortgage-closing

Other Disclosures

Appraisal

If the property was appraised for your loan, your lender is required to give you a copy at no additional cost at least 3 days before closing. If you have not yet received it, please contact your lender at the information listed below.

Contract Details

See your note and security instrument for information about

- what happens if you fail to make your payments,
- what is a default on the loan,
- situations in which your lender can require early repayment of the loan, and
- the rules for making payments before they are due.

Liability after Foreclosure

If your lender forecloses on this property and the foreclosure does not cover the amount of unpaid balance on this loan,

- ☒ state law may protect you from liability for the unpaid balance. If you refinance or take on any additional debt on this property, you may lose this protection and have to pay any debt remaining even after foreclosure. You may want to consult a lawyer for more information.
- ☐ state law does not protect you from liability for the unpaid balance.

Refinance

Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.

Tax Deductions

If you borrow more than this property is worth, the interest on the loan amount above this property's fair market value is not deductible from your federal income taxes. You should consult a tax advisor for more information.

Contact Information

	Lender	Mortgage Broker	Real Estate Broker (B)	Real Estate Broker (S)	Settlement Agent
Name	Ficus Bank		Omega Real Estate Broker Inc.	Alpha Real Estate Broker Co.	Epsilon Title Co.
Address	4321 Random Blvd. Somecity, ST 12340		789 Local Lane Sometown, ST 12345	987 Suburb Ct. Someplace, ST 12340	123 Commerce Pl Somecity, ST 12344
NMLS ID					
ST License ID			2765416	261456	261616
Contact	Joe Smith		Samuel Green	Joseph Cain	Sarah Arnold
Contact NMLS ID	12345				
Contact ST License ID			P16415	P51461	PT1234
Email	joesmith@ficusbank.com		sam@omegare.biz	joe@alphare.biz	sarah@epsilontitle.com
Phone	123-456-7890		123-555-1717	321-555-7171	987-555-4321

Confirm Receipt

By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

Applicant Signature

Date

Co-Applicant Signature

Date

CLOSING DISCLOSURE

PAGE 5 OF 5 • LOAN ID # 123456789

CLOSING DISCLOSURE

PAGE 4 OF 5 • LOAN ID # 123456789

LOAN ESTIMATE

The Loan Estimate shows the key features and costs of the mortgage loan for which you are applying. It provides the interest rate, term, loan amount, settlement costs, expected payments, and other significant features of a particular loan.

Page 1 of the Loan Estimate form (at right) includes some of the more important features of your loan.

- The top includes your name and address, the property address, the sale price, the loan term, and whether the rate is locked (and if so, how long the rate lock is valid).
- The box titled “Loan Terms” lists your loan’s important terms such as the amount of the loan, interest rate, and estimated monthly payment, and whether any of the amounts can increase after closing, and whether there is a prepayment penalty or balloon payment.
- The box titled “Projected Payments” provides a breakdown of possible payments for the life of your loan, showing the amounts you will pay each month in principal and interest, mortgage insurance, and the estimated escrow amount.
- The box titled “Costs at Closing” provides the estimated closing costs and the estimated amount of cash you need to bring to closing (more detail can be found on page 2).

Page 2 of the Loan Estimate form (on page 4 of this insert) lists the details of the closing costs:

- Section A lists fees that the lender has complete control over, such as origination and discount points, application fee, and underwriting fee. If this fee is higher than the fee you were first quoted, find out why and negotiate a better fee if possible.
- Section B lists fees that are charged by third parties such as the appraisal, credit report, and inspection. These fees should be passed on to you without any markup.
- Section C lists fees for services provided by third parties that you may choose yourself. These amounts may vary depending on the service provider you choose.
- Section E lists taxes and other government fees such as recording fees or other taxes.
- Section F and G list the interest, taxes, and premiums for mortgage, flood, and hazard insurance. These will vary depending on your closing date and are not negotiable. If you close in the start of the month, you will be prepaying more interest than if you close at the end of the month. These items must be paid up front or deposited into an escrow account.
- Section J lists the total closing costs by adding up all the items in sections A-C and E-H and deducting lender credits (if any).

Page 3 of the Loan Estimate form (on page 5 of this insert) provides additional information about your loan.

- The box titled “Comparisons” is a good tool when comparing loan offers. It provides the total you will have paid in principal, interest, mortgage insurance, and loan costs after five years as well as the amount of principal you will have paid. In addition, it provides your Annual Percentage Rate (APR) which shows your costs over the loan term as a rate and your Total Interest Percentage (TIP) which shows the total amount of interest that you pay over the loan term as a percentage of your loan amount.
- The box titled “Other Considerations” provides information about appraisals, homeowner’s insurance, late payments, and servicing.

Loan Estimate

DATE ISSUED	2/15/2013	LOAN TERM	30 years
APPLICANTS	Michael Jones and Mary Stone	PURPOSE	Purchase
	123 Anywhere Street	PRODUCT	Fixed Rate
	Anytown, ST 12345	LOAN TYPE	<input checked="" type="checkbox"/> Conventional <input type="checkbox"/> FHA <input type="checkbox"/> VA <input type="checkbox"/> _____
PROPERTY	456 Somewhere Avenue	LOAN ID #	123456789
	Anytown, ST 12345	RATE LOCK	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES, until 4/16/2013 at 5:00 p.m. EDT
SALE PRICE	\$180,000	Before closing, your interest rate, points, and lender credits can change unless you lock the interest rate. All other estimated closing costs expire on 3/4/2013 at 5:00 p.m. EDT	

Loan Terms	Can this amount increase after closing?	
Loan Amount	\$162,000	NO
Interest Rate	3.875%	NO
Monthly Principal & Interest <small>See Projected Payments below for your Estimated Total Monthly Payment</small>	\$761.78	NO
Prepayment Penalty	YES • As high as \$3,240 if you pay off the loan during the first 2 years	
Balloon Payment	NO	

Projected Payments		
Payment Calculation	Years 1-7	Years 8-30
Principal & Interest	\$761.78	\$761.78
Mortgage Insurance	+ 82	+ —
Estimated Escrow <small>Amount can increase over time</small>	+ 206	+ 206
Estimated Total Monthly Payment	\$1,050	\$968

Estimated Taxes, Insurance & Assessments <small>Amount can increase over time</small>	\$206 a month	This estimate includes <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input type="checkbox"/> Other: <small>See Section G on page 2 for escrowed property costs. You must pay for other property costs separately.</small>	In escrow? YES YES
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Costs at Closing		
Estimated Closing Costs	\$8,054	Includes \$5,672 in Loan Costs + \$2,382 in Other Costs – \$0 in Lender Credits. See page 2 for details.
Estimated Cash to Close	\$16,054	Includes Closing Costs. See Calculating Cash to Close on page 2 for details.

Visit www.consumerfinance.gov/mortgage-estimate for general information and tools.

Closing Cost Details

Loan Costs

A. Origination Charges	\$1,802
.25 % of Loan Amount (Points)	\$405
Application Fee	\$300
Underwriting Fee	\$1,097

B. Services You Cannot Shop For

Appraisal Fee	\$405
Credit Report Fee	\$30
Flood Determination Fee	\$20
Flood Monitoring Fee	\$32
Tax Monitoring Fee	\$75
Tax Status Research Fee	\$110

C. Services You Can Shop For

Pest Inspection Fee	\$135
Survey Fee	\$65
Title – Insurance Binder	\$700
Title – Lender's Title Policy	\$535
Title – Settlement Agent Fee	\$502
Title – Title Search	\$1,261

D. TOTAL LOAN COSTS (A + B + C)

\$5,672

Other Costs

E. Taxes and Other Government Fees	\$85
Recording Fees and Other Taxes	\$85
Transfer Taxes	

F. Prepaids

Homeowner's Insurance Premium (6 months)	\$605
Mortgage Insurance Premium (months)	
Prepaid Interest (\$17.44 per day for 15 days @ 3.875%)	\$262
Property Taxes (months)	

G. Initial Escrow Payment at Closing

Homeowner's Insurance	\$100.83	per month for 2 mo.	\$202
Mortgage Insurance		per month for mo.	
Property Taxes	\$105.30	per month for 2 mo.	\$211

H. Other

Title – Owner's Title Policy (optional)	\$1,017
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I. TOTAL OTHER COSTS (E + F + G + H)

\$2,382

J. TOTAL CLOSING COSTS

D + I	\$8,054
Lender Credits	

Calculating Cash to Close

Total Closing Costs (J)	\$8,054
Closing Costs Financed (Paid from your Loan Amount)	\$0
Down Payment/Funds from Borrower	\$18,000
Deposit	– \$10,000
Funds for Borrower	\$0
Seller Credits	\$0
Adjustments and Other Credits	\$0
Estimated Cash to Close	\$16,054

Additional Information About This Loan

LENDER	Ficus Bank
NMLS/___ LICENSE ID	
LOAN OFFICER	Joe Smith
NMLS/___ LICENSE ID	12345
EMAIL	joesmith@ficusbank.com
PHONE	123-456-7890

MORTGAGE BROKER	
NMLS/___ LICENSE ID	
LOAN OFFICER	
NMLS/___ LICENSE ID	
EMAIL	
PHONE	

Comparisons

Use these measures to compare this loan with other loans.

In 5 Years	\$56,582 Total you will have paid in principal, interest, mortgage insurance, and loan costs.
	\$15,773 Principal you will have paid off.
Annual Percentage Rate (APR)	4.274% Your costs over the loan term expressed as a rate. This is not your interest rate.
Total Interest Percentage (TIP)	69.45% The total amount of interest that you will pay over the loan term as a percentage of your loan amount.

Other Considerations

Appraisal	We may order an appraisal to determine the property's value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your own cost.
Assumption	If you sell or transfer this property to another person, we <input type="checkbox"/> will allow, under certain conditions, this person to assume this loan on the original terms. <input checked="" type="checkbox"/> will not allow assumption of this loan on the original terms.
Homeowner's Insurance	This loan requires homeowner's insurance on the property, which you may obtain from a company of your choice that we find acceptable.
Late Payment	If your payment is more than 15 days late, we will charge a late fee of 5% of the monthly principal and interest payment.
Refinance	Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.
Servicing	We intend <input type="checkbox"/> to service your loan. If so, you will make your payments to us. <input checked="" type="checkbox"/> to transfer servicing of your loan.

Confirm Receipt

By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

Applicant Signature

Date

Co-Applicant Signature

Date

LOAN ESTIMATE

PAGE 3 OF 3 • LOAN ID #123456789

LOAN ESTIMATE

PAGE 2 OF 3 • LOAN ID # 123456789

CLOSING DISCLOSURE

The Closing Disclosure form sums up the terms of your loan and what you pay at closing. Typically, the closing agent gathers the pertinent information, completes the Closing Disclosure, and disperses the required funds once the buyer and seller have certified the accuracy of the statement by signing it. The Closing Disclosure has a similar format and the same numbering system as the Loan Estimate to easily compare the numbers on your Closing Disclosure to your most recent Loan Estimate. There should not be any significant changes other than those to which you have already agreed.

Page 1 of the Closing Disclosure form (at right) should be almost identical to your most recent Loan Estimate form. In addition to a statement of the transaction and loan information it will also include closing information such as the closing date, disbursement date, and settlement agent. You should then compare the “Loan Terms”, “Projected Payments”, and “Costs at Closing” boxes for any changes from the most recent Loan Estimate.

Page 2 of the Closing Disclosure form (on page 8 of this insert) lists the details of the closing costs and is broken down into a summary of each party’s side of the transaction. Borrower-paid on the left side, Seller-paid in the middle, and paid by others on the right side. It is identical to page two of the Loan Summary except the line items are numbered and a majority of line items indicate to whom the money was paid.

Page 3 of the Closing Disclosure form (on page 9 of this insert) includes two tables that will help you review your transaction.

- A table entitled “Calculating Cash to Close” will help you easily see what changed from your Loan Estimate. The left column lists the amount from the Loan Estimate, the middle column lists the amounts from the Closing Disclosure, and the right column tells you where the amounts changed and where to look on the Closing Disclosure for an explanation as to why the amounts changed.
- The “Summaries of Transactions” table shows an abbreviated summary of your transaction. The left column is your transaction while the right column is the seller’s transaction. The very bottom of the sheet provides the amount the borrower needs to provide (or will receive) as well as the cash the seller will receive (or will need to provide) at closing.

Page 4 of the Closing Disclosure form (on page 10 of this insert) provides additional loan disclosures. It includes information such as whether your loan is assumable, has a demand feature, can negatively amortize, and what your lender will do with partial payments. In addition, it provides information about your escrow account. It includes an estimate of your property costs over year one (such as homeowner’s insurance, property taxes and homeowner’s association dues. It also provides the amount of your monthly escrow payment.

Page 5 of the Closing Disclosure form (on page 11 of this insert) provides a breakdown of your total payments (amount you will have paid after making all payments), finance charge (the dollar amount the loan costs you), amount financed (the loan amount after paying the up-front finance charge), APR (your costs over the loan term expressed as a rate), and TIP (the total amount of interest you will pay over the loan terms as a percentage of your loan amount). It also includes additional loan disclosures and contact information for your lender, mortgage broker (if you used one), buyer’s real estate broker, seller’s real estate broker, and the settlement agent.

Closing Disclosure

This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.

Closing Information		Transaction Information		Loan Information	
Date Issued	4/15/2013	Borrower	Michael Jones and Mary Stone	Loan Term	30 years
Closing Date	4/15/2013		123 Anywhere Street	Purpose	Purchase
Disbursement Date	4/15/2013		Anytown, ST 12345	Product	Fixed Rate
Settlement Agent	Epsilon Title Co.	Seller	Steve Cole and Amy Doe	Loan Type	<input checked="" type="checkbox"/> Conventional <input type="checkbox"/> FHA
File #	12-3456		321 Somewhere Drive		<input type="checkbox"/> VA <input type="checkbox"/>
Property	456 Somewhere Ave	Lender	Anytown, ST 12345		Loan ID #
Sale Price	\$180,000		Ficus Bank	MIC #	000654321

Loan Terms	Can this amount increase after closing?	
Loan Amount	\$162,000	NO
Interest Rate	3.875%	NO
Monthly Principal & Interest <small>See Projected Payments below for your Estimated Total Monthly Payment</small>	\$761.78	NO
Does the loan have these features?		
Prepayment Penalty	YES	• As high as \$3,240 if you pay off the loan during the first 2 years
Balloon Payment	NO	

Projected Payments		
Payment Calculation	Years 1-7	Years 8-30
Principal & Interest	\$761.78	\$761.78
Mortgage Insurance	+ 82.35	+ —
Estimated Escrow <small>Amount can increase over time</small>	+ 206.13	+ 206.13
Estimated Total Monthly Payment	\$1,050.26	\$967.91
Estimated Taxes, Insurance & Assessments <small>Amount can increase over time See page 4 for details</small>	\$356.13 a month	This estimate includes <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input checked="" type="checkbox"/> Other: Homeowner's Association Dues <small>See Escrow Account on page 4 for details. You must pay for other property costs separately.</small>
		In escrow? YES YES NO

Costs at Closing	
Closing Costs	\$9,712.10 Includes \$4,694.05 in Loan Costs + \$5,018.05 in Other Costs – \$0 in Lender Credits. See page 2 for details.
Cash to Close	\$14,147.26 Includes Closing Costs. See Calculating Cash to Close on page 3 for details.

Closing Cost Details

Loan Costs	Borrower-Paid		Seller-Paid		Paid by Others
	At Closing	Before Closing	At Closing	Before Closing	
A. Origination Charges	\$1,802.00				
01 0.25 % of Loan Amount (Points)	\$405.00				
02 Application Fee	\$300.00				
03 Underwriting Fee	\$1,097.00				
04					
05					
06					
07					
08					
B. Services Borrower Did Not Shop For	\$236.55				
01 Appraisal Fee to John Smith Appraisers Inc.					\$405.00
02 Credit Report Fee to Information Inc.		\$29.80			
03 Flood Determination Fee to Info Co.	\$20.00				
04 Flood Monitoring Fee to Info Co.	\$31.75				
05 Tax Monitoring Fee to Info Co.	\$75.00				
06 Tax Status Research Fee to Info Co.	\$80.00				
07					
08					
09					
10					
C. Services Borrower Did Shop For	\$2,655.50				
01 Pest Inspection Fee to Pests Co.	\$120.50				
02 Survey Fee to Surveys Co.	\$85.00				
03 Title - Insurance Binder to Epsilon Title Co.	\$650.00				
04 Title - Lender's Title Insurance to Epsilon Title Co.	\$500.00				
05 Title - Settlement Agent Fee to Epsilon Title Co.	\$500.00				
06 Title - Title Search to Epsilon Title Co.	\$800.00				
07					
08					
D. TOTAL LOAN COSTS (Borrower-Paid)	\$4,694.05				
Loan Costs Subtotals (A + B + C)	\$4,664.25	\$29.80			
Other Costs					
E. Taxes and Other Government Fees	\$85.00				
01 Recording Fees Deed: \$40.00 Mortgage: \$45.00	\$85.00				
02 Transfer Tax to Any State			\$950.00		
F. Prepays	\$2,120.80				
01 Homeowner's Insurance Premium (12 mo.) to Insurance Co.	\$1,209.96				
02 Mortgage Insurance Premium (mo.)					
03 Prepaid Interest (\$17.44 per day from 4/15/13 to 5/1/13)	\$279.04				
04 Property Taxes (6 mo.) to Any County USA	\$631.80				
05					
G. Initial Escrow Payment at Closing	\$412.25				
01 Homeowner's Insurance \$100.83 per month for 2 mo.	\$201.66				
02 Mortgage Insurance per month for mo.					
03 Property Taxes \$105.30 per month for 2 mo.	\$210.60				
04					
05					
06					
07					
08 Aggregate Adjustment	- 0.01				
H. Other	\$2,400.00				
01 HOA Capital Contribution to HOA Acre Inc.	\$500.00				
02 HOA Processing Fee to HOA Acre Inc.	\$150.00				
03 Home Inspection Fee to Engineers Inc.	\$750.00				\$750.00
04 Home Warranty Fee to XYZ Warranty Inc.			\$450.00		
05 Real Estate Commission to Alpha Real Estate Broker			\$5,700.00		
06 Real Estate Commission to Omega Real Estate Broker			\$5,700.00		
07 Title - Owner's Title Insurance (optional) to Epsilon Title Co.	\$1,000.00				
08					
I. TOTAL OTHER COSTS (Borrower-Paid)	\$5,018.05				
Other Costs Subtotals (E + F + G + H)	\$5,018.05				
J. TOTAL CLOSING COSTS (Borrower-Paid)	\$9,712.10				
Closing Costs Subtotals (D + I)	\$9,682.30	\$29.80	\$12,800.00	\$750.00	\$405.00
Lender Credits					

Calculating Cash to Close

Use this table to see what has changed from your Loan Estimate.

	Loan Estimate	Final	Did this change?
Total Closing Costs (J)	\$8,054.00	\$9,712.10	YES + See Total Loan Costs (D) and Total Other Costs (I)
Closing Costs Paid Before Closing	\$0	- \$29.80	YES + You paid these Closing Costs before closing
Closing Costs Financed (Paid from your Loan Amount)	\$0	\$0	NO
Down Payment/Funds from Borrower	\$18,000.00	\$18,000.00	NO
Deposit	- \$10,000.00	- \$10,000.00	NO
Funds for Borrower	\$0	\$0	NO
Seller Credits	\$0	- \$2,500.00	YES + See Seller Credits in Section L
Adjustments and Other Credits	\$0	- \$1,035.04	YES + See details in Sections K and L
Cash to Close	\$16,054.00	\$14,147.26	

Summaries of Transactions

Use this table to see a summary of your transaction.

BORROWER'S TRANSACTION			SELLER'S TRANSACTION		
K. Due from Borrower at Closing			M. Due to Seller at Closing		
\$189,762.30			\$180,080.00		
01 Sale Price of Property		\$180,000.00	01 Sale Price of Property		\$180,000.00
02 Sale Price of Any Personal Property Included in Sale			02 Sale Price of Any Personal Property Included in Sale		
03 Closing Costs Paid at Closing (J)		\$9,682.30	03		
04			04		
Adjustments			05		
05			06		
06			07		
07			08		
Adjustments for Items Paid by Seller in Advance			Adjustments for Items Paid by Seller in Advance		
08 City/Town Taxes to			09 City/Town Taxes to		
09 County Taxes to			10 County Taxes to		
10 Assessments to			11 Assessments to		
11 HOA Dues 4/15/13 to 4/30/13		\$80.00	12 HOA Dues 4/15/13 to 4/30/13		\$80.00
12			13		
13			14		
14			15		
15			16		
L. Paid Already by or on Behalf of Borrower at Closing	\$175,615.04		N. Due from Seller at Closing	\$115,665.04	
01 Deposit		\$10,000.00	01 Excess Deposit		
02 Loan Amount		\$162,000.00	02 Closing Costs Paid at Closing (J)		\$12,800.00
03 Existing Loan(s) Assumed or Taken Subject to			03 Existing Loan(s) Assumed or Taken Subject to		
04			04 Payoff of First Mortgage Loan		\$100,000.00
05 Seller Credit		\$2,500.00	05 Payoff of Second Mortgage Loan		
Other Credits			06		
06 Rebate from Epsilon Title Co.		\$750.00	07		
07			08 Seller Credit		\$2,500.00
Adjustments			09		
08			10		
09			11		
10			12		
11			13		
Adjustments for Items Unpaid by Seller			Adjustments for Items Unpaid by Seller		
12 City/Town Taxes 1/1/13 to 4/14/13		\$365.04	14 City/Town Taxes 1/1/13 to 4/14/13		\$365.04
13 County Taxes to			15 County Taxes to		
14 Assessments to			16 Assessments to		
15			17		
16			18		
17			19		
CALCULATION			CALCULATION		
Total Due from Borrower at Closing (K)		\$189,762.30	Total Due to Seller at Closing (M)		\$180,080.00
Total Paid Already by or on Behalf of Borrower at Closing (L)		- \$175,615.04	Total Due from Seller at Closing (N)		- \$115,665.04
Cash to Close <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower		\$14,147.26	Cash <input type="checkbox"/> From <input checked="" type="checkbox"/> To Seller		\$64,414.96

Additional Information About This Loan

Loan Disclosures

Assumption

If you sell or transfer this property to another person, your lender

- ☐ will allow, under certain conditions, this person to assume this loan on the original terms.
- ☒ will not allow assumption of this loan on the original terms.

Demand Feature

Your loan

- ☐ has a demand feature, which permits your lender to require early repayment of the loan. You should review your note for details.
- ☒ does not have a demand feature.

Late Payment

If your payment is more than 15 days late, your lender will charge a late fee of 5% of the monthly principal and interest payment.

Negative Amortization (Increase in Loan Amount)

Under your loan terms, you

- ☐ are scheduled to make monthly payments that do not pay all of the interest due that month. As a result, your loan amount will increase (negatively amortize), and your loan amount will likely become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.
- ☐ may have monthly payments that do not pay all of the interest due that month. If you do, your loan amount will increase (negatively amortize), and, as a result, your loan amount may become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.
- ☒ do not have a negative amortization feature.

Partial Payments

Your lender

- ☒ may accept payments that are less than the full amount due (partial payments) and apply them to your loan.
 - ☐ may hold them in a separate account until you pay the rest of the payment, and then apply the full payment to your loan.
 - ☐ does not accept any partial payments.
- If this loan is sold, your new lender may have a different policy.

Security Interest

You are granting a security interest in
456 Somewhere Ave., Anytown, ST 12345

You may lose this property if you do not make your payments or satisfy other obligations for this loan.

Escrow Account

For now, your loan

- ☒ will have an escrow account (also called an "impound" or "trust" account) to pay the property costs listed below. Without an escrow account, you would pay them directly, possibly in one or two large payments a year. Your lender may be liable for penalties and interest for failing to make a payment.

Escrow		
Escrowed Property Costs over Year 1	\$2,473.56	Estimated total amount over year 1 for your escrowed property costs: Homeowner's Insurance Property Taxes
Non-Escrowed Property Costs over Year 1	\$1,800.00	Estimated total amount over year 1 for your non-escrowed property costs: Homeowner's Association Dues You may have other property costs.
Initial Escrow Payment	\$412.25	A cushion for the escrow account you pay at closing. See Section G on page 2.
Monthly Escrow Payment	\$206.13	The amount included in your total monthly payment.

- ☐ will not have an escrow account because ☐ you declined it ☐ your lender does not offer one. You must directly pay your property costs, such as taxes and homeowner's insurance. Contact your lender to ask if your loan can have an escrow account.

No Escrow		
Estimated Property Costs over Year 1		Estimated total amount over year 1. You must pay these costs directly, possibly in one or two large payments a year.
Escrow Waiver Fee		

In the future,

Your property costs may change and, as a result, your escrow payment may change. You may be able to cancel your escrow account, but if you do, you must pay your property costs directly. If you fail to pay your property taxes, your state or local government may (1) impose fines and penalties or (2) place a tax lien on this property. If you fail to pay any of your property costs, your lender may (1) add the amounts to your loan balance, (2) add an escrow account to your loan, or (3) require you to pay for property insurance that the lender buys on your behalf, which likely would cost more and provide fewer benefits than what you could buy on your own.

Loan Calculations

Total of Payments. Total you will have paid after you make all payments of principal, interest, mortgage insurance, and loan costs, as scheduled.	\$285,803.36
Finance Charge. The dollar amount the loan will cost you.	\$118,830.27
Amount Financed. The loan amount available after paying your upfront finance charge.	\$162,000.00
Annual Percentage Rate (APR). Your costs over the loan term expressed as a rate. This is not your interest rate.	4.174%
Total Interest Percentage (TIP). The total amount of interest that you will pay over the loan term as a percentage of your loan amount.	69.46%



Questions? If you have questions about the loan terms or costs on this form, use the contact information below. To get more information or make a complaint, contact the Consumer Financial Protection Bureau at www.consumerfinance.gov/mortgage-closing

Other Disclosures

Appraisal

If the property was appraised for your loan, your lender is required to give you a copy at no additional cost at least 3 days before closing. If you have not yet received it, please contact your lender at the information listed below.

Contract Details

See your note and security instrument for information about

- what happens if you fail to make your payments,
- what is a default on the loan,
- situations in which your lender can require early repayment of the loan, and
- the rules for making payments before they are due.

Liability after Foreclosure

If your lender forecloses on this property and the foreclosure does not cover the amount of unpaid balance on this loan,

- ☒ state law may protect you from liability for the unpaid balance. If you refinance or take on any additional debt on this property, you may lose this protection and have to pay any debt remaining even after foreclosure. You may want to consult a lawyer for more information.
- ☐ state law does not protect you from liability for the unpaid balance.

Refinance

Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.

Tax Deductions

If you borrow more than this property is worth, the interest on the loan amount above this property's fair market value is not deductible from your federal income taxes. You should consult a tax advisor for more information.

Contact Information

	Lender	Mortgage Broker	Real Estate Broker (B)	Real Estate Broker (S)	Settlement Agent
Name	Ficus Bank		Omega Real Estate Broker Inc.	Alpha Real Estate Broker Co.	Epsilon Title Co.
Address	4321 Random Blvd. Somecity, ST 12340		789 Local Lane Sometown, ST 12345	987 Suburb Ct. Someplace, ST 12340	123 Commerce Pl Somecity, ST 12344
NMLS ID					
ST License ID			2765416	261456	261616
Contact	Joe Smith		Samuel Green	Joseph Cain	Sarah Arnold
Contact NMLS ID	12345				
Contact ST License ID			P16415	P51461	PT1234
Email	joesmith@ficusbank.com		sam@omegare.biz	joe@alphare.biz	sarah@epsilontitle.com
Phone	123-456-7890		123-555-1717	321-555-7171	987-555-4321

Confirm Receipt

By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

Applicant Signature	Date	Co-Applicant Signature	Date
CLOSING DISCLOSURE		PAGE 5 OF 5 • LOAN ID # 123456789	